



Tax Administration

PO Box 3397, Durham, North Carolina, 27702 (919) 560-0300

Long-Term Payment Plan Deferral Program for 2020 Property Taxes

This program is designed, generally, for those not able to qualify for a State tax relief program. A taxpayer, as of the preceding January 1st, having owned and resided in their home for at least 10 years, and who has an income of **30% or less of the Area Median Income (AMI)** may qualify for the benefits of this program. Please note that this program has no age restriction. Those qualifying applicants who participate in this program will be permitted to pay **4% of their household income** from the preceding year in property taxes. The difference between what is paid, and the full tax bill will be deferred until a disqualifying event occurs. Disqualifying events include (1) the property is sold, except for inheritance, or (2) 10 years elapses since the due date of the first year of taxes. A clarifying example of disqualifying event #2 is as follows. Taxpayer participates in the program beginning with tax year 2020 and continues her/his participation in perpetuity. In tax year 2030, 10 years will have elapsed since the 2020 taxes were due. Therefore, in addition to paying the required 4% of income in taxes for the 2030 taxes, the program participant would be required to pay the deferred taxes from tax year 2020. This process continues for subsequent tax years. This program requires a recertification of qualifying information each year.

By State law, interest and fees must continue to accumulate on any deferred balance. However, Durham County, the City of Durham, and many local non-profit groups are working to establish a private fund to help defray the cost of interest and fees upon a disqualifying event. **But please note that there is no guarantee that funds will be available to help cover the costs of interest and fees, etc.**

For tax year 2020, the below table provides household income limits based on one's household size.

2020 Household Income Limits - 30% Area Median Income							
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$ 19,100	\$ 21,800	\$ 24,550	\$ 27,250	\$ 29,450	\$ 31,650	\$ 33,800	\$ 36,000
Source: US Department of HUD, State of North Carolina, Durham-Chapel Hill, NC							

Please complete the form below if you are interested in participating in either program. The form may be mailed to the address above, emailed to tax_assessor@dconnc.gov, or faxed to (919) 328-6175

TAXPAYER INFORMATION

Name 1. Name 2. Name 3. Name 4.	Name 5. Name 6. Name 7. Name 8.
Home Phone _____ Cell Phone _____	Home Phone _____ Cell Phone _____
Current Address: Have you owned the property for 10 full years prior to January 1; Of this year and occupied the property for a total of 10 years? Yes ____ or No ____	Account _____ Parcel _____
Name & Address of Employer: Position/Title: _____	Name & Address of Employer: Position/Title: _____

Requirement: Please Complete Income Information

Social Security Number (SSN) disclosure is mandatory for approval of the Long Term-Payment Plan Deferral Program and will be used to establish the identification of the applicant. The SSN may be used for verification of information provided on this application. The authority to require this number is given by 42 U.S.C Section 405(c) (2) (c) (i). The SSN and all income tax information will be kept confidential. The SSN may also be used to facilitate collection of property taxes if you do not timely and voluntarily pay the taxes. Using the SSN will allow the tax collector to claim payment of an unpaid property tax bill from any State income tax refund that might otherwise be owed to you. Your SSN may be shared with the State for this purpose. In addition, your SSN may be used to garnish wages or attach bank accounts for failure to timely pay taxes.

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Applicant's Social Security Number

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

Requirements:

1. You must provide a copy of the first page of your individual Federal Income Tax Return for the previous calendar year (unless you do not file a Federal Income Tax Return). Married applicants filing separate returns must submit both returns. If you have not filed your Federal Income Tax Return at the time you submit this application, submit a copy of the first page when you file your return. Your income tax returns are confidential and will be treated as such. Your application will not be processed until the income tax information is received. Please check the appropriate box concerning the submission of your Federal Income Tax Return.

Fill in applicable box:

- ☐ Federal Income Tax Return submitted with this application.
- ☐ Federal Income Tax Return will be submitted when filed with the IRS.
- ☐ I will not file a Federal Income Tax Return with the IRS for the previous calendar year.

2. Provide the income information requested below for the previous calendar year. Provide the total amount for entire household. **If you do not file a Federal Income Tax Return, you must attach documentation of the income that you report below (W-2, SSA-1099, 1099-R, 1099-INT, 1099-DIV, financial institution statements, etc.).**

- a. Wages, Salaries, Tips, etc.....\$
- b. Interest (Taxable and Tax Exempt)\$
- c. Dividends\$
- d. Capital Gains\$
- e. IRA Distributions\$
- f. Pensions and Annuities\$
- g. Disability Payments (not included in Pensions and Annuities) \$
- h. Social Security Benefits (Taxable and Tax Exempt) \$
- i. All other moneys received (Describe in Comments section.)\$
- Total\$**

Comments:

INFORMATION IS SUBJECT TO VERIFICATION WITH THE NORTH CAROLINA DEPARTMENT OF REVENUE.

Affirmation and Signature

AFFIRMATION OF APPLICANT – Under penalties prescribed by law, I hereby affirm that, to the best of my knowledge and belief, all information furnished by me in connection with this application is true and complete. Furthermore, I understand that if I participate in the Long Term-Payment Plan Deferral Program, liens for the deferred taxes will exist on my property, and that when a disqualifying event occurs, the full balance of all deferred taxes, interest and fees accrued becomes due and payable within 60 days from notification by DCo Tax. All years would be covered if the house is Sold, but only the deferred amount and interest from year one of the agreement must be repaid after ten years, in addition to the standard, recurring payment of 4% of income. This would be repeated for each additional year with a deferral.

Applicant's Name (please print)

Applicant's Signature

Date

Spouse's Name (please print)

Spouse's Signature

Date

Office Use Only

Approved:

- ☐ Yes
☐ No

Date: _____ By: _____ Comments: _____

Application Received: _____ Income \$ _____

***All applications must be submitted by June 1 to be timely filed.**

Late Applications: Upon a showing of good cause by the applicant for failure to make a timely application, an application for Long-Term Payment Plan Program filed after the [due date] may be approved by the board of equalization and review, the board of county commissioners, or the governing body of a municipality, as appropriate. **An untimely application for the Long-Term Payment Plan Deferral Program approved under this subsection applies only to property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. [N.C.G.S. 105-282.1(a1)]**